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TRUST AGREEMENT

ARMOUR AND COMPANY

TO

CONTINENTAL AND COMMERCIAL TRUST
AND SAVINGS BANK
TRUSTEE

DATED JUNE 15, 1918

SECURING AN ISSUE OF SIX PER CENT SERIAL CONVERTIBLE
GOLD DEBENTURES OF ARMOUR AND COMPANY

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This Agreement, dated the 15th day of June, A. D. 1918, by and between **ARMOUR AND COMPANY**, a corporation duly organized and existing under the laws of the State of Illinois (hereinafter called the "Company"), party of the first part, and **CONTINENTAL AND COMMERCIAL TRUST AND SAVINGS BANK**, a corporation duly organized and existing under and by virtue of the laws of the State of Illinois, as trustee (hereinafter called the "Trustee"), party of the second part, **Parties.**

WITNESSETH:

WHEREAS, the Company deems it advisable to borrow money for its corporate purposes, and to that end has determined to make and issue its Six Per Cent. Serial Convertible Gold Debentures in the aggregate amount of Sixty Million Dollars ($60,000,000), all of which debentures are to be issued under and in pursuance of this agreement, and to be ratably secured and protected hereby; **Designation of debentures.**

AND WHEREAS, at a meeting of the Board of Directors duly called and regularly held at the office of the Company on the 25th day of June, A. D. 1918, a draft of agreement between the Company and the Trustee, substantially of the form and tenor of these presents, was submitted to the said Board, and was thereupon authorized, ratified and approved by the vote of said Board; **Authorization by directors.**

AND WHEREAS, at said meeting of said Board it was duly resolved that this indenture be executed in the name and on behalf of the Company by its President, or by a Vice President, and that its corporate seal be affixed hereto and duly attested by its Secretary, or an Assistant Secretary, and that this agreement be acknowledged and delivered to the Trustee, and that the Six Per Cent. Serial Convertible Gold Debentures of the Company, substantially of the tenor and effect set **Recital of direction to officers.**

The marginal notes are not a part of the Trust Agreement as executed.

forth in this agreement, be executed in the name and on behalf of the Company by its President, or by a Vice President, and that the corporate seal be thereto affixed and attested by the Secretary, or an Assistant Secretary, and that said debentures be certified and delivered by the Trustee to or upon the order of the Treasurer of the Company;

And whereas, each of the said debentures, so to be signed, sealed, executed and delivered, is to be substantially in the form following, to wit:

Form of debenture.

(Form of Debenture.)

$..... UNITED STATES OF AMERICA $.....

No. ..... State of Illinois Series .....

Armour and Company

Six Per Cent Serial Convertible Gold Debenture.

Armour and Company, a corporation organized under the laws of the State of Illinois (hereinafter called the "Company"), for value received, hereby acknowledges itself to be indebted to and promises to pay to bearer, or in case this debenture be registered to the registered holder hereof, the sum of ..... Dollars ($.....) in gold coin of the United States of America, of or equal to the present standard of weight and fineness, at the office of Continental and Commercial Trust and Savings Bank, in the City of Chicago, in the State of Illinois, or at the holder's option, at the office of the agent of said bank, in the City of New York in the Borough of Manhattan, and State of New York, on the 15th day of ....., and to pay interest thereon from June 15, 1918, in like gold coin, at the rate of 6% per annum on December 15 and June 15 in each year, until such principal sum shall be paid, on presentation and surrender of the annexed coupons as they severally become due at either of said offices at the holder's option.

Both principal and interest of this debenture are payable without deduction for any tax or taxes which the Company or the Trustee may be required to pay thereon or retain therefrom under any present or future law of any taxing authority, except Federal Income Taxes in

excess of two per cent. (2%), and except inheritance taxes. This debenture is one of a duly authorized issue of debentures of the Company limited to the aggregate principal amount of Sixty Million Dollars at any one time outstanding, known as its Six Per Cent. Serial Convertible Gold Debentures, all of like tenor except as to date of maturity and amount of principal, and all issued under and pursuant to an agreement dated June 15, 1918, duly executed by the Company, to Continental and Commercial Trust and Savings Bank, of Chicago, as Trustee. As provided in said agreement, said debentures are issued in six series of the aggregate principal amount of Ten Million Dollars each; said six series to be known and to be payable as follows: Series A on June 15, 1919; Series B on June 15, 1920; Series C on June 15, 1921; Series D on June 15, 1922; Series E on June 15, 1923; and Series F on June 15, 1924. At the option of the Company all of said debentures or all the debentures of one or more of the series at any time next maturing may be redeemed at par on any interest date upon sixty days' prior notice. This debenture is convertible on and after September 1, 1918, par for par, into the Seven Per Cent. Cumulative Preferred Stock of Armour and Company. In case of certain defaults specified in the said agreement, the principal of this debenture and of all other debentures of this issue may be declared and may become due and payable in the manner and with the effect provided in said agreement. For a description of the terms and conditions on which this debenture is issued and of the rights and obligations of the Company and the Trustee with respect thereto and for a description of the terms upon which the preferred stock into which this debenture is convertible will be issued and the preferences to which said stock is entitled and the limitations to which it is subject, reference is made to said agreement, to all the terms and conditions contained in which this debenture is subject, and to all of which terms and conditions the holder hereof by the acceptance hereof expressly agrees. This debenture shall pass by delivery unless registered on the books provided at the office of the Trustee in the City of Chicago for that purpose and such registration duly noted hereon. After such registration, no transfer hereof shall be valid unless made on said books by the registered holder in person or by a duly authorized attorney and such trans-

fer duly noted hereon, but the same may be discharged from registration by transfer to bearer. Such registration shall not, however, effect the negotiability of the coupons which shall continue to be transferable by delivery. No recourse shall be had for the payment of the principal or the interest upon this debenture or for any claim based thereon or in respect of the agreement under which this debenture is issued, against any incorporator, stockholder, officer or director of the Company, whether by virtue of any constitution, statute or rule of law or by the enforcement of any assessment or penalty or otherwise, such liability being by the acceptance hereof expressly waived and released. This debenture shall not be valid or become obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by the Trustee under the agreement.

In witness whereof, Armour and Company has caused this debenture to be signed by its President or a Vice President and its Secretary or Assistant Secretary, and its corporate seal to be hereunto affixed and the coupons evidencing said semi-annual interest payments to be authenticated by the engraved facsimile signature of its treasurer as of the 15th day of June, 1918.

Armour and Company,

By.....

President.

Attest:

.....

Secretary.

And whereas, there are to be attached to each of said debentures coupons evidencing the semi-annual interest thereon substantially in the form following, to wit:

Form of coupon.

(Form of Coupon.)

On the 15th day of ....., 19....., Armour and Company will pay to the bearer at the office of Continental and Commercial Trust and Savings Bank, in the City of Chicago, State of Illinois, or at the option of the holder, at the office of the agent of said bank in the City of New York, in the Borough of Manhattan and State of New York .....

Dollars ($.....) in gold coin of the United States, without deduction for any tax or taxes except Federal Income Taxes in excess of two per cent. (2%), and except inheritance taxes, being six months' interest then due on its Six Per Cent. Serial Convertible Gold Debenture, Series ....., unles such debenture shall have been called for previous redemption.

.....

Treasurer.

No. .....

And whereas, each of said debentures before the same shall be valid or obligatory is to have endorsed thereon a certificate of the Trustee substantially in the form following, to wit:

(Form of Trustee's Certificate.)

Form of Trustee's certificate.

This is one of the debentures described in the within mentioned agreement.

Continental and Commercial Trust and Savings Bank, *Trustee,*

By.....

Secretary.

And whereas, the Trustee, party of the second part, has power to receive and execute the trusts hereby created and has duly agreed to accept this agreement and to receive and execute the said trusts herein provided.

Compliance with conditions precedent to issue.

And whereas, all things necessary to make said debentures, when executed by the Company and authenticated by the Trustee, the valid, binding and legal obligations of the Company, and to constitute this instrument a valid agreement and indenture for the security of the said debentures and for the enforcement of the payment of said debentures and the interest thereon, have been duly done and performed, and the execution and issue of said debentures and the execution of this agreement and indenture have in all respects been duly authorized, and the Company in the exercise of each and every power and right in it vested proposes to make, execute, issue and deliver such debenture.

Preliminary covenant by Company.

Now, THEREFORE, for the purpose of declaring the terms and conditions upon which said debentures are issued, received and held, and in consideration of the premises, and of the purchase and acceptance of such debentures by the holders thereof, and by each person who shall hereafter become at any time the holder of any of said debentures, and in further consideration of the sum of One Dollar ($1.00), to the Company duly paid by the Trustee, at or before the execution and delivery of these presents, the receipt whereof is hereby acknowledged, the Company hereby covenants and agrees to and with the Trustee, for the equal benefit of all present and future holders of said debentures and coupons as follows, to wit:

ARTICLE I.

Amount of debentures.

SECTION 1. The amount of debentures which may be executed by the Company and may be authenticated by the Trustee hereunder is expressly limited to the sum of Sixty Million Dollars ($60,000,000), and said issue of debentures shall constitute a direct obligation of the Company.

Series.

SECTION 2. The debentures shall be issued in six series of Ten Million Dollars each, known as Series A, B, C, D, E and F, respectively, of which debentures Series A shall mature on the 15th day of June, 1919, Series B shall mature on the 15th day of June, 1920; Series C shall mature on the 15th day of June, 1921; Series D shall mature on the 15th day of June, 1922; Series E shall mature on the 15th day of June, 1923, and Series F shall mature on the 15th day of June, 1924. All of said debentures shall bear interest at the rate of six per cent. per annum from June 15th, 1918, and such interest shall be payable semi-annually on the 15th days of December and June in each year until the maturity of said respective debentures, but only upon presentation and surrender of the coupons therefor attached to such debentures. The definitive

Denominations.

engraved debentures shall be of the denominations of One Thousand Dollars ($1,000), Five Hundred Dollars ($500), and One Hundred Dollars ($100).

Designatory lettering.

The debentures of the denomination of One Thousand Dollars ($1,000) issued in each series shall bear the letter indicating the series and shall be numbered from "M1" upwards.

The debentures of the denomination of Five Hundred Dollars ($500) issued in each series shall bear the letter indicating the series and shall be numbered from "D1" upwards.

The debentures of the denomination of One Hundred Dollars ($100) issued in each series shall bear the letter indicating the series and shall be numbered from "C1" upwards.

Debentures interchangeable.

Every debenture issued hereunder shall bear endorsed thereon a statement that all debentures are interchangeable for debentures of the same series of different denominations but of like aggregate principal amount.

Method of exchange of denominations of same series.

The Company shall provide for the exchange of debentures of one denomination for an equal principal amount of other denominations of the same series bearing coupons identical in amount with the unmatured coupons attached to the debenture or debentures so exchanged, and with the consent of the Trustee, shall letter, number and designate the debentures so exchanged either in numerical order or in any other manner which may be reasonably necessary or convenient in order to comply with the rules of any stock exchange or otherwise. Any debentures which shall be surrendered for exchange for other debentures of the same series and aggregate principal amount, shall be immediately canceled by the Trustee and may be returned to the Company after cancellation. Any debenture that shall be signed and sealed by persons who at the time of such signing and sealing shall be officers of the Company may be authenticated, delivered and issued notwithstanding that any of such persons may prior to the actual delivery or authentication of such debenture have ceased to be such officer, and the coupons to be attached

Debentures valid if issued after expiration of term of office of signatory officers.

to such debentures may be authenticated by the facsimile signature of any present or future treasurer of the Company notwithstanding he may not have been such treasurer at the date of such debenture, or may have ceased to be such treasurer before such debentures shall have been actually authenticated, issued or delivered.

Authentication by Trustee.

SECTION 3. All debentures before issuance shall be authenticated by the certificate of the Trustee in substantially the form of the Trustee's Certificate hereinbefore set forth. Only such debentures as shall be authenticated by the certificate of the Trustee as aforesaid shall be entitled to the benefit of this agreement, and every such certificate of the Trustee on any debenture executed on behalf of the Company shall be conclusive evidence, and the only evidence, against the Company that the debenture so authenticated has been duly issued hereunder and that the holder thereof is entitled to the benefit of this agreement, and no holder of any debenture issued hereunder which shall be so authenticated shall be under any duty to ascertain whether the same shall have been duly issued, authenticated and delivered according to the provisions hereof.

Equal security of all debentures issued hereunder.

SECTION 4. All debentures issued and authenticated hereunder shall stand upon equality as to the security hereof, without regard to the date of actual issuance, authentication, delivery, negotiation or maturity.

Delivery of debentures.

SECTION 5. All of the said debentures shall be delivered immediately upon the execution thereof by the Company to the Trustee for certification, and thereupon the Trustee shall certify and redeliver the same to the Treasurer of the Company, or on the written order of the Treasurer of the Company, under the corporate seal of the Company, and upon the delivery thereof to the Treasurer, or upon such order the Trustee shall be fully protected and discharged.

Registration.

SECTION 6. The Company shall keep at the office of the Trustee, in the City of Chicago, in the State of Illinois, and at the office of the agent of the Trustee, in the Borough of Manhattan, in the City and State of New York, a sufficient register or registers for the debentures, and upon presentation for such purpose the Trustee will, under such reasonable regulations as it may prescribe, register therein any of said debentures.

Method of registration.

The holder of any debenture may have the ownership thereof registered on said books, such registry being noted on the debenture by the Trustee or its agent, after which registration and notation thereof on the debenture no transfer shall be valid unless made on said registration books by the registered holder in person or by his attorney duly authorized, such registration being duly noted on the debenture as aforesaid. Upon presentation at such office of the Trustee, or of the agent of the Trustee, of any such debenture registered as to principal, accompanied by delivery of a written instrument of transfer in the form approved by the Trustee, executed by the registered holder, under such regulations as to identification as the Trustee may require, such debenture shall be transferred upon such register and such transfer shall be noted by the Trustee or its agent, as Registrar, upon the debenture. The registered holder of any such debenture registered as to principal shall also have the right to cause the same to be registered as payable to bearer, in which case transferability by delivery shall be restored and thereafter the principal of such debenture when due shall be payable to the person presenting the debenture; but any such debenture registered as payable to bearer may be registered again in the name of the holder with the same effect as in the case of a first registration thereof. Successive registrations and transfers as aforesaid may be made from time to time as desired, and each registration of a debenture shall be noted on the debenture as aforesaid. Such registration shall not affect the

Registration not to affect negotiability of coupons.

negotiability of the coupons belonging to any debenture, but every such coupon shall continue to pass by delivery and shall remain payable to bearer as therein provided. For any such transfer or registration of a debenture the Trustee may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge, or other expense connected therewith, and also of a further sum not exceeding twenty-five cents for each such registration of a transfer.

Charge for registration.

Replacement of debentures lost, mutilated or destroyed.

Section 7. In case any debenture issued hereunder, with the coupons thereto appertaining, shall become mutilated or be destroyed or lost, the Company may issue, and the Trustee shall authenticate and deliver, a new debenture of like tenor, date, effect and number, with the coupons thereto appertaining, in exchange and substitution for, and on cancellation of, the mutilated debenture and coupons, or in lieu of or in substitution for the debenture and coupons so destroyed or lost. The applicant for such substituted debenture in case of loss or destruction shall furnish the Company and the Trustee evidence of such loss or destruction, and also a bond or other indemnity, all of which shall be satisfactory to the Company and the Trustee, respectively, in their sole discretion, before the Company and the Trustee shall, respectively, be required to issue or authenticate and deliver such new debenture or coupons.

Evidence and indemnity.

Temporary debentures.

Section 8. Until definitive engraved debentures are ready for delivery the Company may execute, and upon request of the Company the Trustee shall authenticate and deliver, in lieu of such definitive engraved debentures, and subject to the same provisions, limitations and conditions, temporary printed, written or typewritten debentures, which may be in the denomination or denominations of any multiple of One Hundred Dollars, and which shall conform generally to the form of the debentures hereinbefore recited; but to which no coupons shall be attached, and which shall recite in substance

that they are temporary debentures, exchangeable for definitive engraved debentures, and which shall be appropriately varied in form as may be required. Said temporary debentures shall be issued in series corresponding to the aggregate principal amount of the definitive engraved debentures, and each temporary debenture shall be exchangeable for a like aggregate principal amount of the definitive engraved debentures of the same series. The Company covenants that it will with all due diligence proceed to procure said definitive engraved debentures to be provided, and will execute and deliver the said definitive engraved debentures to the Trustee for certification and exchange, and upon any such exchange of temporary debentures for definitive engraved debentures the temporary debentures surrendered for exchange shall be forthwith canceled by the Trustee and be delivered to the Company for destruction. The authentication by the Trustee on the said temporary debentures shall be conclusive evidence, and the only evidence, that the temporary debentures so authenticated have been duly issued hereunder and that the holder thereof is entitled to the benefit of the trust hereby created. Until exchanged for definitive debentures as provided herein the said temporary debentures so authenticated shall in all respects be entitled to the benefits of this agreement as debentures issued and authenticated hereunder, but in no event shall any interest be payable upon said temporary debentures except upon presentation thereof for endorsement of interest thereon.

Definitive debentures to be promptly furnished.

ARTICLE II.

SECTION 1. The Company covenants and agrees that it will duly and punctually pay the principal and interest of every debenture issued and secured hereunder at the dates and places, and in the manner, mentioned in such debentures or in the coupons thereto belonging, according to the true intent

Covenants of the Company.

To pay debentures.

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and meaning thereof, and that it will make such payments without deduction for any tax or taxes which the Company or the Trustee may be required to pay thereon or retain therefrom under any present or future law of any taxing authority, except Federal Income Taxes in excess of two per cent. (2%), and except inheritance taxes.

Payment to be tax free except income tax in excess of 2 per cent. and inheritance taxes.

Interest payable only on presentation of coupons.

SECTION 2. The interest on the debentures shall be payable only upon presentation and surrender of the several coupons evidencing such interest as such coupons respectively mature, and when paid such coupons shall forthwith be cancelled by the Trustee.

Interest payable at holders' option in New York.

SECTION 3. At all times until the payment of the principal of the respective debentures secured by this agreement the Company will cause the Trustee to keep and maintain an office or agency, in the Borough of Manhattan, in the City of New York, in the State of New York, where debentures and interest coupons may be presented for payment, so that at all times while any of said debentures shall be outstanding both principal and interest thereof may, at the option of the holder, be collected either in the City of Chicago or in the City of New York.

Coupons may not be extended as to time of payment.

SECTION 4. In order to prevent any accumulation of coupons or claims for interest after maturity the Company will not, directly or indirectly, extend, or assent to the extension of the time for the payment of any coupon or claim for interest on any of the debentures issued hereunder, and will not, directly or indirectly, be a party to, or approve of, any arrangement for any such extension, or for the purchase or keeping alive of any of said coupons, and in case the time for payment of any such coupon shall be so extended such coupons after such extension or arrangement shall not be entitled, in case of default hereunder, to the benefit or security of this agreement, except subject to the prior payment in full of the principal of all debentures issued hereunder and then

outstanding and of all matured interest on such debentures, the payment of which has not been so extended.

Covenant to maintain ratio between current assets and liabilites.

SECTION 5. The Company covenants and agrees that so long as any of the debentures hereby secured shall remain outstanding it will at all times maintain its current assets to an aggregate amount equal to at least one and one-half times all its current liabilities. For the purposes of this agreement current assets and current liabilities are hereby respectively defined as follows, to wit:

Current assets.

Current assets shall be construed to include:

(a) Cash on hand and in banks.

(b) Inventories of product, material and supplies, both manufactured and in process of manufacture.

(c) Accounts Receivable which have not run more than ninety days beyond the terms of credit usually extended in their respective lines.

(d) Bills Receivable not past due and Bills of Exchange and Acceptances representing current transactions on the usual terms of credit in their respective lines.

(e) Government Bonds and Marketable investments.

Current liabilities.

Current liabilities shall be construed to include:

(a) Accounts Payable.

(b) Bills current and notes current, but shall not include bonds, debentures or notes which do not mature within one year from the date when the ratio of assets to liabilities is from time to time established.

Covenant not to mortgage assets.

SECTION 6. The Company hereby expressly covenants and agrees that while any of the debentures hereby secured are outstanding no additional mortgage, or deed of trust in the nature of a mortgage, shall be placed on any of the property and assets of the Company, unless such mortgage or deed of trust shall be so drawn that there shall be included on a parity with the bonds, notes, debentures or other debts secured by said mortgage or deed of trust, all the outstanding debentures secured hereby.

Unless security extended to these debentures.

Definition of term additional mortgage.

The term "additional mortgage or deed of trust" shall be construed to mean any mortgage or deed of trust other than that certain real estate first mortgage, dated June 1, 1909, executed by Armour and Company and certain other corporations to The Farmers' Loan & Trust Company, in and by which said Armour and Company and such other corporations conveyed and mortgaged to said The Farmers' Loan & Trust Company, as Trustee, certain specific real estate, with the appurtenances thereof, in said mortgage described.

Permissible to retain present priority of real estate mortgage in refunding bond issue.

It shall not be deemed a breach of the covenant and agreement herein contained if the Company shall make a first and refunding mortgage securing an issue of bonds, notes or debentures, and conveying the same properties described in the said mortgage dated June 1, 1909, with other properties, if the present prior existing lien as to the properties covered by said mortgage of June 1, 1909, shall be preserved or retained to secure evidences of indebtedness not exceeding in the aggregate the sum of Fifty Million Dollars ($50,000,000), being the amount of the present outstanding bonds secured by such mortgage, dated June 1, 1909, and set apart or exchanged for the just prior existing bonds, if the debentures hereby secured shall have a first and equal priority with any other bonds, notes or debentures secured by such first and refunding mortgage on all properties not covered by said mortgage dated June 1, 1909.

Covenants regarding care of property.

Section 7. The Company hereby expressly covenants and agrees that so long as any of said debentures shall be outstanding it will diligently preserve its corporate existence and all the rights and franchises to it granted and upon it conferred in so far as they continue to be advantageous to the Company, and will at all times maintain, preserve and keep its properties and each part and parcel thereof, in good repair, working order and condition, and will at all times keep the same supplied with all necessary equipment, and will from time to time thereto make all needful and proper repairs, re-

newals, and replacements, useful and proper additions, alterations and improvements, and will actively conduct and carry on the business for which it was incorporated, and that it will from time to time pay and discharge, or cause to be paid or discharged, all taxes, assessments and governmental charges imposed upon its property, or any part thereof, provided, however, that the Company shall have the right to contest in good faith, and by appropriate legal proceedings, the validity of any such tax, assessment or charge, and pending any such contest may delay or defer the payment thereof, unless thereby the title to any such property may be endangered or be subject to forfeiture.

Covenant to keep books of account.

SECTION 8. The Company hereby expressly covenants and agrees that so long as any of said debentures shall be outstanding it will keep true and accurate books of account which will accurately record its business transactions and will not less often than once annually take or cause to be taken, inventories of its merchandise and stock in trade, in the same general manner as its inventories have been taken during the past three years, and that it will not less often than once annually file with the said Trustee a balance sheet accurately setting forth its assets, segregated into capital assets and current assets, and its liabilities, and that its said books of account shall at reasonable times be subject to the inspection and examination of the Trustee, or its agent or agents, accountant or accountants.

Covenant to observe provisions of real estate first mortgage.

SECTION 9. The Company expressly covenants and agrees that it will so long as any of the debentures hereby secured shall be outstanding faithfully observe and perform the obligations contained in that certain real estate first mortgage, dated June 1, 1909, executed by the Company and certain affiliated or subsidiary companies to The Farmers' Loan & Trust Company, as Trustee, so far as may be necessary to prevent any default in the terms of said mortgage which would expose the property covered by said mortgage to lia-

bility of foreclosure, or permit the acceleration of the maturity of the bonds secured by said mortgage.

Covenant regarding insurance.

SECTION 10. The Company covenants and agrees that so long as any of the said debentures shall be outstanding it will maintain insurance upon all of its property of such a nature as to be commonly insured by companies engaged in a similar business to the reasonable insurable value thereof, in good and responsible insurance companies, and will in due season pay all premiums upon such insurance policies, to the end that in case of loss or damage by fire the Company may be to a reasonable extent reimbursed by the proceeds of said policies of insurance, and the security of said debentures be thereby preserved, and the Company covenants and agrees that except as to the property conveyed by said real estate first mortgage, dated June 1, 1909, (policies covering which shall be governed by the terms of said mortgage), it will so apply the proceeds of any policies of insurance to the increase of its assets, or the reduction of its liabilities, that the security of the said debentures shall not be impaired.

Covenant not to reduce capital stock.

SECTION 11. The Company covenants and agrees that so long as any of the debentures secured hereby shall be outstanding it will not reduce its capital stock, and will not invest any of its moneys or assets in the purchase of any of its own common capital stock, and will not sell its assets in bulk or otherwise than in the usual and ordinary course of business, nor merge with any other company or companies, unless such purchaser, or the corporation into which it shall become merged, shall expressly assume and agree to pay the debentures secured hereby and to observe and perform the covenants herein contained, nor unless the proportion of the total assets to liabilities of such purchase, or of such merged company, shall comply with the provisions contained in Section 5 of this Article.

Restrictions on sale or merger.

ARTICLE III.

Section 1. The Company covenants and agrees that on or before the first day of September, 1918, it will cause and procure its Board of Directors and its stockholders and officers to take such steps as may be necessary, requisite and proper to authorize and make available in the treasury of the Company six hundred thousand shares of seven per cent. cumulative preferred stock of the Company, of the par value of One Hundred Dollars ($100.00) each, which stock shall be so authorized and so issuable that the holders thereof shall be entitled to receive, out of the surplus and net profits arising from the business of said corporation, when and as declared, cumulative yearly dividends at the rate of seven per cent. per annum, payable in equal quarterly installments, on the first days of January, April, July and October, in each year, and the Company further covenants and agrees that the holders of all its common stock at the time of the authorization of said preferred stock shall expressly agree that no dividends shall at any time be payable, paid or set apart on the common stock until all accrued dividends shall have been declared and paid or set apart on all of the then issued and outstanding preferred stock, and until the surplus and net profits of the corporation applicable to the payment of dividends on the preferred stock shall be equal to the amount required to pay such dividends on the preferred stock for the further period of one full year after the withdrawal of any sum proposed to be paid as a dividend on the common stock.

Covenant to issue preferred stock.

7 per cent. cumulative dividends.

Dividend payments.

Restriction on payment of dividends on common stock.

The said preferred stock shall, in the event of the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, be paid its full par value, together with the full amount of any accrued and unpaid dividends thereon, before any sums shall be paid or distributed, or any assets applied upon the common stock, but the said preferred stock shall not be entitled to receive out of the surplus earn-

Preferred stock to be paid in full out of assets.

ings or profits of the Company, any dividends in excess of said cumulative dividends, at the rate of seven per cent. per annum, nor shall the said preferred stock be entitled to share in any distribution of the assets of the Company after there shall have been paid thereon the full amount of the par value thereof, together with all accrued and unpaid dividends thereon, except that in case of liquidation, dissolution or winding up which is the result of voluntary action on the part of the holders of a majority of the common stock there shall also be paid to the holders of the preferred stock the further sum of Fifteen Dollars ($15) per share.

Preferred stock not entitled to share in surplus.

In case of voluntary liquidation to receive $15.00 per share bonus.

The holders of said preferred stock shall not be entitled to subscribe, pay for, or receive any share or shares of any additional or increased capital stock which may be at any time issued, nor to take any pro rata share in common with the common stockholders or otherwise of any present or future stock in the treasury of the Company.

Holders of preferred stock not to be entitled to subscribe to additional stock.

The terms of the preference given to such preferred stock shall likewise provide that if at any time the capital stock of the Company shall be further increased in accordance with law, that any portion or all of such increase may be issued as preferred stock on a parity as to payment of dividends and distribution of assets with such preferred stock first issued, but entitled to cumulative dividends at such rate not exceeding seven per cent. (7%) per annum as may be fixed at the time of its issuance, upon the express condition, however, that no common stock at any time issued and outstanding shall be transformed into preferred stock, and upon the further express condition that no increase of preferred stock beyond the first issue of six hundred thousand shares, of the par value of Sixty Million Dollars ($60,000,000) shall at any time be made unless the net earnings of the Company applicable to the payment of dividends for the fiscal year next preceding the date of the proposed issuance of such additional preferred stock shall have been at least twice the

Provisions for future issues of preferred stock.

Rate not to exceed 7 per cent.

No increase to be made unless net earnings equal to twice dividend requirements.

amount required to pay the dividends upon all the preferred stock then outstanding and upon the additional preferred stock so then proposed to be issued. Any or all of the shares of said preferred stock may be purchased by the Company on any dividend payment date, at the pleasure of the Board of Directors, by paying therefor in cash the sum of One Hundred and Fifteen Dollars per share, and in addition any accrued or unpaid dividends thereon, provided the Company shall give notice of its intention to purchase any such shares by written notice deposited in the United States mail, duly stamped and addressed to the holder of record of such preferred share or shares, as shown upon the books of the Company, at least thirty days prior to the date of such purchase, and all dividends on such preferred stock shall cease on the deposit by the Company with the transfer agent of the amount of the purchase price of such stock on such dividend payment date, when such payment shall be made in accordance with such notice.

Preferred stock redeemable at $115.00 per share.

Notice to redeem.

Section 2. The Company covenants and agrees that it will keep in its treasury so long as any of the debentures secured hereby shall remain unpaid and outstanding shares of the said preferred stock equal at the par value thereof to the aggregate principal amount of the debentures so from time to time outstanding and unpaid, and covenants and agrees that any holder of any of said debentures secured hereunder may at any time on and after the first day of September, 1918, and on or before the maturity of the respective debentures convert the same at par into the said preferred shares of stock of the Company by surrendering said debenture or debentures, together with all unmatured coupons thereon thereunto attached, at the office of the transfer agent of the Company in the City of Chicago, or at the office of the transfer agent of the Company in the City of New York, and shall thereupon be entitled to receive from said transfer agents in exchange therefor shares of the said preferred capital stock at par

Debentures may be exchanged for preferred stock.

On and after September 1, 1918.

Place of exchange.

equal to the principal amount of said debenture or debentures, provided, however, there shall be made an adjustment of the accrued interest, if any, upon the debenture so surrendered and the accumulated and unpaid dividends on the preferred stock, and the Company, or the holder of the said debenture surrendering the same, shall as a condition of the cancellation of such debenture and the issuance of said preferred stock pay in cash any balance required to equalize such adjustment. Upon any such conversion the Company forthwith shall deliver all such surrendered debentures to the Trustee for cancellation, and thereupon the Trustee shall cancel the same and the same shall be deemed to be and shall be satisfied and discharged, and no debenture in place thereof shall be issued by the Company or be certified or delivered by the Trustee.

Adjustment of interest.

Debentures exchanged for preferred stock to be canceled.

ARTICLE IV.

Debentures callable.

SECTION 1. The Company shall have the right to redeem and pay off all debentures outstanding hereunder or all the debentures of the one or more series then next maturing on any interest date by giving at least sixty days' notice prior to any such interest date in the manner hereinafter provided.

Notice required to call debentures.

SECTION 2. If the Company desires to redeem such debentures it shall advertise its election to redeem such debentures in a daily newspaper of general circulation published in the City of Chicago, and the State of Illinois, and in a daily newspaper of general circulation published in the Borough of Manhattan, in the City of New York, and the State of New York, at least once a week for four successive weeks (the first publication to be not less than sixty days and not more than ninety days before the date of redemption specified in such notice), stating that the Company has elected to redeem and pay off the debentures (or if the Company has elected to pay the series then next maturing, or more than one of the

By publication.

series then next maturing, specifying the series so to be redeemed), and that on the redemption day specified such debentures will be redeemed by the deposit of the par value thereof and accrued interest with the Trustee, and that said debentures will be redeemed, and the amount due thereon will be paid, at the option of the holder either at the office of the Trustee in Chicago or at the office of the agent of the Trustee in New York.

Notice to registered holders by mail.

A similar notice shall be sent by the Company through the mails, postage prepaid, at least sixty days prior to said redemption date, addressed to the registered holders of registered debentures proposed to be redeemed, at their respective addresses as shown on the register kept by the Trustee as hereinbefore provided.

Principal matured by call.

Section 3. Upon the giving of such notice by the Company the principal of the debentures specified, and the interest thereon accrued to the date of redemption, shall become and be due and payable on the date designated as the day of redemption in said notice. From and after the date of redemption designated in such notice, and the payment on or before such date of redemption by the Company to the Trustee of the amount required to redeem such debentures, no further interest shall accrue upon any of said debentures, nor shall such debentures thereafter be entitled to the security of this agreement, but the holders of such debentures shall thereupon be entitled to look only to the moneys so deposited with the Trustee for the payment of such debentures.

No interest after date of redemption payment.

Deposit with Trustee to operate as payment.

Section 4. In all cases where the Company shall deposit with the Trustee at the maturity of any coupon, or at the maturity of the principal of any debenture, whether such principal shall mature by lapse of time or by acceleration of maturity under the terms of this agreement, the full sum required to pay such coupon or such debenture, then and in each such case such deposit with the Trustee shall operate for every purpose as payment of the coupon or debenture, as the

case may be, and thereupon all further interest upon such coupon or debenture shall cease, and the Trustee shall at all times hold the sum so deposited for the benefit of the legal holder of such coupon or debenture, and the Trustee shall not be chargeable with any interest in relation to any such deposit after the date of the maturity of such coupon or debenture, and the holder thereof shall look exclusively to such deposit in the hands of the Trustee, and shall not be otherwise entitled to any rights as to such coupon or debenture.

Trustee not chargeable with interest after maturity.

ARTICLE V.

Release upon payment of all debentures.

SECTION 1. On the deposit with the Trustee of the amount necessary to redeem all outstanding debentures at the time of the maturity of such debentures, either by lapse of time or by notice of election of the Company to redeem as hereinbefore provided, and on payment to the Trustee of all costs, charges, compensation and expenses, the Trustee shall cancel and satisfy this agreement, and the Company shall be discharged from all further obligation hereunder, and the holders of said respective debentures, and of the coupons thereunto appertaining, shall have no further claim, either at law or in equity, against the Company, but shall be entitled only to receive from the Trustee the amount due upon said debentures, with interest thereon to the date of the maturity so fixed as aforesaid.

Cancellation of debentures.

SECTION 2. All debentures redeemed and paid under the terms hereof shall be canceled by the Trustee and when canceled shall be delivered by the Trustee to the Company upon demand, and no debenture shall be issued in lieu thereof or in substitution therefor.

Right to convert debentures into preferred stock after call for payment.

SECTION 3. In the event that the Company shall elect to redeem any of said debentures as herein provided and shall give notice of its election so to redeem such debentures, the holders thereof shall nevertheless up to the date fixed for the

redemption and payment thereof be entitled to exercise the option herein provided and to exchange the said debentures for the shares of the preferred capital stock of the Company as herein provided.

ARTICLE VI.

SECTION 1. If one or more of the following events herein called "events of default" shall happen, that is to say:

Events of default.

(a) If default shall be made in the payment of any interest on any of the debentures issued hereunder and such default shall continue for the period of ninety days, or

90 days' default in interest.

(b) If default shall be made in payment of the principal of any of said debentures when the same shall become due and payable, either by lapse of time, by acceleration or otherwise, or

Default in payment of principal at maturity.

(c) If default shall be made in the due observance or performance of any covenant or condition in this agreement required to be kept or performed by the Company, and any such default shall have continued for a period of ninety days after written notice thereof shall have been given to the Company by the Trustee (which notice may be given by the Trustee at its election and shall be given by the Trustee at the request in writing of the holders of at least twenty-five per cent. in amount of the debentures at the time outstanding hereunder), or

Default in any covenant after 90 days' notice.

(d) If an order shall be made at the instance of any creditor for the appointment of a receiver or receivers of the Company or of its properties, or of any substantial part thereof, or for the appointment of a Trustee in Bankruptcy for the Company, or for the winding up or liquidation of its business and affairs, or if voluntary action shall be taken by the Company for any of the purposes specified in this subdivision,

Insolvency or receivership.

then, and in any such case, the Trustee may, in its sole discretion, and shall upon the written request of the holders of twenty-five per cent. in amount of the debentures at such time outstanding, declare the principal of all debentures then outstanding hereunder to be due and payable immediately, and

Acceleration of maturity.

upon any such declaration being made the said debentures shall become and shall be due and payable forthwith, anything in this agreement or in said debentures contained to the contrary notwithstanding.

Right of majority to reinstate maturity if default cured.

This provision, however, is subject to the condition that if at any time after the principal of said debentures shall have been so declared to be due and payable all arrears of interest upon all such debentures, with interest at the rate of six per cent. per annum on the overdue principal and installments of interest, and the expenses of the Trustee, shall be paid by the Company, or be provided for by the deposit with the Trustee of a sum sufficient to pay the same, then and in every such case the holders of a majority in amount of the debentures then outstanding by written notice to the Company and the Trustee, may rescind and annul such declaration and its consequences, and the debentures shall thereupon be reinstated, provided, however, that this condition shall not apply where the default shall consist in the failure to pay the principal of any series of debentures which shall have matured by lapse of time according to their terms, and in the event of that particular default no waiver thereof shall become effective unless the principal of all such debentures which shall have matured by lapse of time shall have been fully paid.

Waiver not to extend to other defaults.

No waiver of any default under the terms of this section shall extend to or affect any subsequent default or impair any right consequent thereon.

Covenant to pay to Trustee entire amount of indebtedness in case of default.

Section 2. The Company covenants that in case of the occurrence of any one of the said events of default, and the consequent declaration of the maturity of the said debentures in the manner hereinbefore provided, then and in such case upon demand by the Trustee the Company will pay to the Trustee, for the benefit of the holders of the debentures and coupons issued hereunder and then outstanding, the whole amount that shall then remain unpaid for principal and ac-

crued interest, with interest at the rate of six per cent. per annum upon overdue principal and installments of interest, and in addition thereto such further amount as shall be sufficient to cover the cost and expenses of collection, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and any expenses or liabilities incurred by the Trustee hereunder, and in case the Company shall fail forthwith upon such demand to pay such amounts, the Trustee, in its own name and as Trustee of an express trust, shall be authorized and empowered to institute such action or proceedings, at law or in equity, as it may be advised by counsel for the collection of the sum so due and unpaid, and may prosecute any such action or proceeding to judgment or final decree, as may enforce any such judgment or final decree against the Company, and collect the moneys adjudged or decreed to be payable by execution or otherwise out of the property of the Company wherever situated in the manner provided by law.

Trustee may sue.

SECTION 3. All rights of action under this agreement, or under any of the said debentures or coupons, may be enforced by the Trustee without the possession of any of the debentures or coupons, or of the production thereof, on any trial or other proceedings relative thereto, and any such suits or proceedings instituted by the Trustee may be brought in its name as Trustee, and any recovery shall be for the benefit of the Trustee for any disbursements, obligations or compensations due to it, and for the ratable benefit of all the holders of said debentures and coupons, subject to the prior limitations and conditions hereinbefore expressed.

Trustee may enforce all rights of action on behalf of debenture owners.

SECTION 4. In the event that the Trustee shall become entitled to institute any proceeding in equity to enforce the collection of the said debentures and coupons, or any of them, the Trustee shall, as a matter of right, and without regard to any question of margin of security or of waste, or danger of misapplication of any of the properties of the Company, be

Trustee entitled to appointment of receiver in case of suit.

entitled forthwith to have a receiver appointed of all the property, effects, chooses in action and claims, at law or in equity, of the Company, and the Company hereby expressly consents to the appointment of a receiver by any court of competent jurisdiction, and expressly stipulates, covenants and agrees that such receiver may remain in possession and control of all of such properties, assets, rights, effects and claims until the final determination of any suit or proceeding in equity and may conduct the business of the Company, and that all profits of the conduct of said business, and all the proceeds of any liquidation of its said properties, claims and effects shall be applied to the liquidation of all claims arising under the terms of this agreement, and to the payment of said debentures and coupons, and that such application may be made by the payment of the net collections and proceeds to the Trustee, and that such payment to the Trustee shall operate as a full accounting and discharge of all moneys so paid.

Application of moneys collected by Trustee.

SECTION 5. Any moneys collected by the Trustee by judicial proceedings or otherwise under this Article shall be applied as follows at the date fixed by the Trustee for the distribution of such moneys upon presentation of the several debentures and coupons, and stamping thereon the payment, if the same shall be partially paid, and upon the surrender thereof, if fully paid:

Payment of costs.

First. To the payment of costs and expenses, including a reasonable compensation to the Trustee, its agents, attorneys and counsel, and to the payment of all expenses, liabilities and advances made or incurred by the Trustee;

Payment of interest.

Second. In case the principal of the debentures issued under this agreement shall not have become due, to the payment of the interest in default, with interest on the overdue installments at the rate of six per cent. per annum, such payments to be made ratably to the persons entitled thereto without discrimination or preference on account of the date of the maturity of the respective installments of interest or otherwise, except as hereinbefore in Section 4 of Article II provided;

Third. In case the principal of the debentures shall have become due, by declaration or otherwise, to the payment of the whole amount then owing or unpaid upon the debentures then outstanding for principal and interest, with interest at the rate of six per cent. per annum on the overdue installments of interest; in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the said debentures, then to the payment ratably of such principal and interest, without preference or priority of interest over principal, or of principal over interest, or of any installment of interest over any other installment of interest, subject, however, to the provisions of said Section 4 of Article II.

Payment of principal and interest.

SECTION 6. No holder of any debenture issued hereunder shall have any right to institute any suit, action or proceeding, in equity or at law, for the collection of any sum due from the Company on such debenture on account of the principal or interest, or for the appointment of a receiver, or for any other remedy hereunder, unless and until such holder shall have previously given to the Company written notice of a default under the terms hereof and of the continuance of such default until the same shall have become an event of default as hereinbefore defined, and also unless or until the holders of ten per cent. in amount of the debentures then outstanding shall have made written request upon the Trustee and shall have afforded to it a reasonable opportunity to institute such action, suit or proceeding in its own name, and unless they shall have offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for thirty days after receipt of such notification, request and offer of indemnity shall have neglected or refused to institute any such action, suit or proceeding, and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts in this agreement contained, and conditions precedent to any action or cause of

Restrictions on right of debenture holder to bring suit.

action, or for any remedy hereunder, it being understood and expressly covenanted by the purchaser and holder of every debenture issued hereunder that no one or more holders of debentures or coupons shall have any right in any manner whatever to effect, disturb or prejudice the rights of the holders of any other of such debentures or coupons, or in any manner or way to obtain or seek to obtain priority over or preference to any such other holders, or to enforce any rights hereunder or under or in respect of said debentures, or any of them, except in the manner herein provided, and for the equal, common and ratable benefit of all holders of such outstanding debentures and coupons.

Waiver by Company of valuation and redemption laws.

SECTION 7. The Company for itself, its successors and assigns, hereby expressly waives and relinquishes the benefit and advantage of any and all valuation, stay, appraisement, extension or redemption laws, either now existing or which may hereafter be passed, which but for this provision, agreement and waiver might be applicable to any sale made under the judgment, order or decree of any court or courts founded on any of said debentures or interest coupons, or based on this agreement, and the Company for itself, its successors and assigns hereby irrevocably waives any and all rights of redemption which it might or could otherwise have or be entitled to under any present or future laws upon or in respect of any sales of the premises, properties, rights and franchises of the Company, or any part thereof, and the Company expressly agrees that it will not, and its successors and assigns shall not, in any manner set up or seek to take advantage or benefit of any such present or future valuation, stay, extension, appraisement or redemption laws to hinder, prevent or delay an absolute and irrevocable sale of any rights, properties and franchises hereinbefore authorized to be made which might but for the existence of such law be directed or decreed by any court of competent jurisdiction.

Section 8. All remedies herein especially conferred on the Trustees shall be deemed cumulative and not exclusive, and the Trustee shall be entitled to take any proper legal or equitable action to enforce the covenants of this agreement, or to protect the rights and interest of the holders of said debentures or coupons, and no delay or omission of the Trustee, or of any holder of any of the debentures secured hereby to exercise any right or power accruing upon any default, or arising from any event of default, shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Article to the Trustee or to the holders of said debentures may be exercised from time to time as often as shall be deemed expedient.

Trustee not to be adversely affected by discontinuance of action.

Section 9. In case the Trustee shall have proceeded to enforce any right under this agreement or based upon said debentures or coupons, by suit or otherwise, and such proceeding shall have been discontinued or abandoned because of waiver, or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee, as the case may be, shall severally and respectively be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

Debentures or coupons may be tendered in payment of purchase price at any sale.

Section 10. Upon any sale made under or in accordance with any direction contained in any judgment or decree for the recovery of any indebtedness evidenced by said debentures or coupons, or recovered under the terms of this agreement, any purchaser shall be entitled in making settlement or payment of the purchase price of the property purchased to present to the persons or officer authorized to receive the payment of such purchase price, and to turn in and use any of the debentures and coupons issued hereunder then payable,

said debentures or coupons, or both, being computed for that purpose at a sum equal to that which shall be payable out of the proceeds of such sale as the just share and proportion of said net proceeds applicable thereto. At any such sale the Trustee, as such, or any holder of said debentures, or any committee representing any such holders of such debentures, may bid for and purchase the property sold, and may make payment therefor by the use of such debentures and coupons or otherwise, and upon any such purchase may hold, retain and dispose of such property without any further accountability to the Company, or without the creation of any trust relationship whatsoever to the Company, or its successors or assigns.

ARTICLE VII.

Protection of Trustee.

In action based on paper believed to be genuine.

SECTION 1. The Trustee shall be protected in any action taken by it upon any notice, resolution, vote, request, consent, certificate, affidavit, statement, note or other paper or document, believed by it to be genuine and to have been passed or signed by the parties purporting to have acted or to have signed the same.

Advice of counsel.

SECTION 2. The Trustee shall be protected in any action whatever taken by it upon the advice of counsel.

Employment of agents or attorneys.

SECTION 3. The Trustee may select and employ in and about the execution of this trust suitable agents and attorneys whose reasonable compensation shall be paid to the Trustee by the Company, or in default of such payment shall be a charge upon any moneys collected or received by the Trustee paramount to said debentures, and the Trustee shall in no event be liable for any neglect, omission, mistake or misconduct of any such agents or attorneys, if reasonable care shall have been exercised in their selection, and shall in no event be liable for any misconduct on the part of any agent or rep-

resentative of the Company who may have been continued in the service of the Trustee.

Not liable except for willful default or gross negligence.

SECTION 4. The Trustee shall not be liable for the exercise of any discretion or power hereunder, or for mistakes or errors of judgment, nor for any mistake of law, nor otherwise, in connection with this trust, except for its own willful misconduct or gross negligence.

Conditions precedent to requiring Trustee to act.

SECTION 5. The Trustee shall be under no obligation to take any action toward the execution or enforcement of the trusts hereby created which in its opinion shall be likely to involve it in expense or liability, unless one or more of the holders of debentures issued hereunder shall, as often as required by the Trustee, furnish indemnity satisfactory to the Trustee against such expense or liability, and upon demand by the Trustee shall deposit with the Trustee a reasonable sum of money, to be used in connection with the necessary expenses of any proposed action, nor shall the Trustee be required to take notice of any default or event of default hereunder, and it may for all purposes conclusively assume that there has been no default, or event of default, hereunder, unless and until notified in writing thereof by the holders of at least ten per cent. in amount of the debentures issued hereunder and then outstanding, nor shall the Trustee be obliged to take any action in respect of any default or event of default unless requested to take action in respect thereof by a writing signed by the holders of not less than ten per cent. in amount of the debentures issued hereunder and then outstanding, and upon being tendered indemnity as hereinbefore provided.

Power of Trustee to act of its own motion not limited.

The provisions of this Section are intended only for the protection of the Trustee, and shall not be construed to affect any discretion or power by any provision of this agreement given to the Trustee to determine whether or not it shall take action in respect of any default or event of default, or any

power or discretion of the Trustee to take action in respect of any default or event of default without such notice or request from the holders of said debentures if the Trustee shall elect so to do, nor shall the provisions of this Section in any way limit any other power or discretion given to the Trustee.

Trustee may examine books of Company.

SECTION 6. The Trustee may, in its discretion, at any time, at the expense of the Company, employ agents or accountants to investigate the books and records of the Company for the purpose of satisfying itself as to the existence or non-existence of any violation of any of the covenants herein contained, and the Company shall upon demand pay to the Trustee the reasonable expenses of any such investigation, including reasonable compensation to the Trustee and its attorneys.

Certificate verified by affidavit of Company may be accepted by Trustee.

SECTION 7. The Trustee may at any time accept the certificate of the Company under its corporate seal, signed and sworn to by any executive officer of the Company, as sufficient evidence of any fact the existence of which may be ground for taking or not taking any action or doing or refraining from doing anything under this agreement, and any such statement, or the advice of counsel employed by the Trustee, shall be sufficient to protect the Trustee in any action which it may take or refrain from taking by reason of the supposed existence of such fact or in reliance upon such opinion.

Trustee not responsible for any statement or for any act in relation to trust agreement.

SECTION 8. The Trustee shall be in no way charged with any responsibility as to any statement contained in this agreement, nor be in any way charged with responsibility for the validity of this agreement, or the sufficiency of the execution or acknowledgment thereof, or of any debenture or coupon issued hereunder, nor shall it be required to record, register or file this agreement, or in any way give notice of its existence, nor shall the Trustee in any way be responsible for any breach by the Company of any covenant in this agreement contained.

Trustee may deal in debentures.

SECTION 9. The Trustee may from time to time purchase, acquire, hold or deal in any of the debentures issuable here-

under and assert its rights in respect thereof in the same manner as any other holder of a debenture, and as such holder of any of said debentures it shall be entitled to assert any rights which it would be entitled to assert if it were not Trustee hereunder.

Trustee entitled to compensation.

SECTION 10. The Trustee shall be entitled to reasonable compensation for all services rendered by it in the execution of the trusts hereby created and to reasonable counsel fees for the services of counsel in connection with the execution of such trusts, and the Company hereby agrees to pay such compensation as well as all expenses necessarily incurred or disbursed by the Trustee hereunder. In case of non-payment of any such compensation or expenses the amount unpaid shall be a claim against the Company and a lien upon any moneys collected under this agreement prior to the debentures issued hereunder. The compensation of the Trustee shall not be limited by any provision of law in regard to the compensation of Trustees.

Merger of the Trustee with another trust company not to affect trust.

SECTION 11. Any company into which the Trustee may be merged, or with which it may be consolidated, or any company resulting from any merger or consolidation to which the Trustee shall be a party, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further action on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the debentures issued hereunder shall have been authenticated but not delivered, then the successor Trustee may adopt the certificate of authentication of the present Trustee hereunder and deliver the same so authenticated, and in case any of such debentures shall not have been authenticated any successor Trustee may authenticate such debentures by the secretary or assistant secretary of the successor Trustee, and in all such cases such certificate shall have the same force and effect as the certificate of the original Trustee would have.

ARTICLE VIII.

Trustee may resign.

SECTION 1. The Trustee, or any trustee or trustees, hereafter appointed may resign the trust hereby created, and become and remain fully discharged from all further duty or responsibility hereunder upon giving thirty days' notice in writing to the Company, or any officer thereof, or such shorter notice as the Company may accept as sufficient, in which notice there shall be stated a date when such resignation shall take effect, and such resignation shall take effect on the day specified in said notice unless previously a successor Trustee shall be appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. The Trustee or any successor Trustee or Trustees may be removed from office at any time by an instrument in writing under the hands of the holders of a majority in amount of the debentures issued hereunder and then outstanding, subject to the right of the Trustee to receive reasonable compensation and repayment of all costs, charges and expenses incurred and adequate protection against all liability incurred.

Trustee may be removed.

Appointment of successor.

SECTION 2. In the event of the resignation or removal of the Trustee a successor Trustee may be appointed by an instrument in writing under the hands of the holders of a majority in amount of the debentures issued hereunder and then outstanding, and in case of the failure of the majority of such debenture holders to so appoint a successor Trustee, or during any interim which may exist between the resignation or removal of such Trustee and the appointment of such successor by a majority of the debenture holders, the Company may nominate and appoint a new Trustee to act as successor in trust. In the event of such appointment of a successor Trustee by the Company, the Company shall immediately upon such appointment give notice thereof by publication in

at least one newspaper of general circulation published in the City of Chicago, in the State of Illinois, and in at least one newspaper of general circulation published in the City of New York, in the State of New York, once a week for four successive weeks, and at any time after such appointment the Trustee so appointed by the Company may be superseded by a successor Trustee appointed in writing by the holders of a majority in amount of the debentures then outstanding hereunder.

Qualifications of a successor Trustee.

SECTION 3. Any successor Trustee, whether appointed by the Company or by the holders of a majority in amount of the outstanding debentures, shall be a trust company, in good standing and having a capital, surplus and undivided profits aggregating at least $2,000,000. Any successor Trustee so appointed shall upon written acceptance executed by it under seal and deposited with the Trustee, or the last previous successor in trust, and with the Company, have the like powers and be subject to the same conditions as hereinbefore provided in the case of the original Trustee.

Rights and powers of successor Trustee.

Any such new Trustee shall be vested with all such powers and rights without any further act, deed or conveyance, but nevertheless on the written request of the Company, or of the successor Trustee, the Trustee ceasing to act shall execute and deliver to such successor Trustee an instrument or instruments of conveyance transferring to such successor Trustees upon the trusts herein expressed all the right, title, interest, powers and trusts of the Trustee so seeking to act, and upon the written request of such successor Trustee it shall likewise be the duty of the Company to execute any proper instruments of conveyance and assurance confirming in such successor Trustee all the rights, duties and powers herein vested in the original Trustee.

ARTICLE IX.

Release of stockholders and officers of Company from personal liability.

SECTION 1. Each of the debentures secured hereby is issued upon the express condition, to which each successive holder thereof expressly assents and by receiving the same agrees, that no recourse under or upon any obligation, covenant or agreement contained in said debentures or the coupons thereto appertaining or created under this agreement, or arising out of or because of the indebtedness evidenced by such debentures or coupons, shall be had against any incorporator or past, present or future stockholder, officer or director of the Company, or of any predecessor or successor corporation, either directly or through the Company, or through any receiver, assignee or trustee in bankruptcy, or by any legal or equitable proceedings whether for liability on stock subscriptions or stockholders' liability, or any other liability or penalty, it being expressly understood and agreed that this agreement and the debentures and coupons issued hereunder, are solely corporate obligations, and that any and all personal liability of every name and nature against any individual in any way connected with said Company, whether arising at common law or in equity, or created or to be created by statute or constitution, are hereby expressly released and waived as a condition of and as a part of the consideration for the execution of this agreement and the issue of the debentures and coupons hereby authorized.

ARTCLE X.

Provisions for execution of papers by holders of debentures.

SECTION 1. Any demand or request, or other instrument which, under the terms of this agreement may be signed and executed by holders of debentures, may be in any number of concurrent writings of similar tenor and may be signed or executed by such debenture holders in person or by agent ap-

pointed in writing. Proof of the execution of any such demand, request or other instrument, or of any writing appointing any such agent, and of the ownership by any person of any unregistered debenture, shall be sufficient for any purpose of this agreement, if such proof be made in the following manner:

Proof of execution.

The fact and date of the execution by any person of any such demand, request or other instrument in writing, may be proved by the certificate of any Notary Public or other officer authorized to take acknowledgments of deeds, to the effect that the person signing such request or other instrument acknowledged to him the execution thereof.

Proof of ownership of debentures.

The fact of the holding by any debenture holder of any unregistered debentures, and the amounts and numbers of such debentures, and the date of his holding the same, may be proved by either producing and exhibiting to the Trustee the actual debentures themselves, or by a certificate executed by any trust company, bank, banker or other depositary, wherever situate, if such certificate shall be deemed by the Trustee to be satisfactory showing that at the date therein mentioned such person had on deposit with such depositary the debentures described in such certificate.

The ownership of registered debentures shall be proved by the registers of such debentures, or by a certificate of the registrar thereof.

Trustee may require other proof.

Section 2. The Trustee may, however, in its discretion, require, or be satisfied with any other reasonable method of proof of the identity of any person signing any such instrument, and the ownership of the debentures claimed to belong to such person.

Bearer may be treated as owner.

Section 3. The Company and the Trustee may deem and may treat the bearer of any debenture issued hereunder which shall not at the time be registered as hereinbefore authorized, and the bearer of any coupon for interest on any debenture, whether such debenture shall be registered or not, as the absolute owner of such debenture or coupon, as the case may be,

for the purpose of receiving payment of any such debenture or coupon, and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

Registered holder deemed to be absolute owner.

SECTION 4. The Company and the Trustee may deem and may treat the person in whose name any debenture shall be registered upon the books of the registrar as hereinbefore provided, as the absolute owner of such debenture for the purpose of receiving payment of such debenture and for all other purposes, and neither the Company nor the Trustee shall be chargeable with notice of any equitable or other interest of any other person whatsoever.

ARTICLE XI.

Terms of agreement only for benefit of parties hereto.

SECTION 1. Nothing in this agreement or in said debentures or coupons expressed or implied, is intended or shall be construed to confer upon or to give to any person or corporation, other than the parties hereto, and the holders of the debentures and coupons issued hereunder, any legal or equitable rights, remedies or claims under or by reason of this agreement or said debentures or coupons or any covenant, condition or stipulation hereof, or of said debentures and coupons, and all such covenants, stipulations, promises and agreements are intended for and shall be held to be for the sole and exclusive benefit of the parties hereto and of the holders of said debentures or coupons.

Covenants binding on legal representatives.

SECTION 2. All of the covenants, stipulations, promises, agreements and provisions in this agreement contained, shall bind the successors, legal representatives and assigns of the Company whether so expressed or not.

IN WITNESS OF ALL OF WHICH Armour and Company has caused these presents to be executed by its President, or by a Vice President, and its corporate seal to be hereunto affixed

and attested by its Secretary or by an Assistant Secretary, and the said Continental and Commercial Trust and Savings Bank has caused these presents to be executed by a Vice President and its corporate seal to be hereunto affixed and attested by its secretary, all as of the day and year first above written.

Armour and Company,
By J. Ogden Armour,
President.

(seal)

Attest:
Frederick W. Croll,
Asst. Secretary.

Continental and Commercial Trust and Savings Bank,
By Arthur Reynolds,
Vice President.

(seal)

Attest:
W. P. Kopf,
Secretary.

State of Illinois, }
County of Cook. } ss.

I, Ray F. de Long, a Notary Public in and for the County of Cook in the State of Illinois, and residing in said county, hereby certify that on this 25th day of June A. D. 1918, personally came Armour and Company, by its President J. Ogden Armour, and by its Assistant Secretary, Frederick W. Croll, each of whom is to me personally known, and who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Assistant Secretary respectively, and known to me to be such President and Assistant Secretary respectively, and severally acknowledged the said instrument to be, and that they signed, sealed and delivered the same as the free and voluntary act and deed of Armour and Company and the free and voluntary act and deed of themselves and each of them as such President and Assistant Secretary, respectively, for the uses, purposes and considerations therein expressed.

In witness whereof I have hereunto set my hand and official seal in the City of Chicago and County of Cook in the State of Illinois, on the day and year last above written.

My commission as such Notary Public expires on the 12th day of April 1921.

Ray F. de Long,

(seal) *Notary Public within and for the County of Cook in the State of Illinois.*

State of Illinois, }
County of Cook. } ss.

I, L. E. Falk, a Notary Public in and for the County of Cook in the State of Illinois, and residing in said County, hereby certify that on this 26th day of June, A. D. 1918, personally came Continental and Commercial Trust and Savings Bank, by its Vice President, Arthur Reynolds, and by its Secretary, W. P. Kopf, each of whom is to me personally known, and who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Secretary respectively, and known to me to be such Vice President and Secretary respectively, and severally acknowledged the said instrument to be, and that they signed, sealed and delivered the same as the free and voluntary act and deed of Continental and Commercial Trust and Savings Bank, and the free and voluntary act and deed of themselves and each of them as such Vice President and Secretary, respectively, for the uses and purposes and considerations therein expressed.

In witness whereof I have hereunto set my hand and official seal in the City of Chicago and County of Cook in the State of Illinois, on the day and year last above written.

My commission as such Notary Public expires on the 28th day of October, 1918.

L. E. Falk,

(seal) *Notary Public within and for the County of Cook in the State of Illinois.*

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